

**COMMITTEE ON GOVERNMENT REFORM**  
**SUBCOMMITTEE ON GOVERNMENT EFFICIENCY AND FINANCIAL MANAGEMENT**  
**TODD PLATTS, CHAIRMAN**



**MEDIA ADVISORY**

**For Immediate Release**  
**May 12, 2003**

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**SHOW ME THE TAX DOLLARS!**

**What: Government Reform Committee Subcommittee Oversight Hearing: "Show Me the Tax Dollars -- How Much is Lost to Improper Payments Each Year?"**

**When: Tuesday, May 13, 2003, 2:00pm**

**Where: Room 2247, Rayburn House Office Building**

**Background:**

This hearing will examine the Office of Management and Budget's (OMB) guidelines for the implementation of the Improper Payments Act of 2002, which was signed into law on November 26, 2002, strategies that agencies should consider for preventing these payments, and the Department of Health and Human Services' (HHS) plans for identifying and reducing improper payments in their large entitlement programs.

The Improper Payments Act requires Federal agencies to estimate the amount of erroneous or improper payments that their agency makes annually. **The Office of Management and Budget (OMB) most recently estimated improper payments of approximately \$35 billion dollars, but many admit this is probably an extremely conservative estimate.**

Agencies have the ability to reduce improper payments by examining and identifying inherent control weaknesses and instituting solid plans that focus on fixing weaknesses. The Department of Health and Human Services (HHS) is responsible for a large number of entitlement programs. They have estimated their improper payments to be more than \$13 billion

– mainly due to the Medicare fee-for-service programs. HHS, however, has not fully considered the implications of all of its programs, including those related to Medicaid. Impediments, such as lack of internal controls, inadequate proactive planning and follow-up investigation have prevented most agencies from estimating and taking steps to reduce erroneous payments. Some agencies are currently in the process of developing infrastructure and procedures to estimate the value of improper payments made and reduce their occurrences.

**Witnesses:**

**The Honorable Linda Springer**, Controller, Office of Federal Financial Management, Office of Management and Budget

**McCoy Williams**, Director, Financial Management and Assurance Team, General Accounting Office

**Kerry Weems**, Acting Assistant Secretary for Budget, Technology and Finance, Department of Health and Human Services

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